



DATE: August 3, 2009

TO: Commissioner Bill Bird  
Commissioner Greg Drees  
Commissioner Richard Francisco  
Commissioner Elizabeth Garst  
Commissioner Tammi Kircher  
Commissioner Carol Kramer  
Commissioner Janelle Rettig

FROM: Michelle Wilson, Project Manager, Honey Creek Resort State Park (HCRSP)

RE: Honey Creek Resort State Park June 2009 Operation Income Statements and Construction Update

Enclosed you will find Central Group Companies Inc.'s operations income statement for the month of June 2009 as received by the Department on July 27, 2009.

#### **Food and Beverage**

In June, Central Group Companies Inc. reported that there were 11,854 covers served, up from 10,826 covers in May and higher than budgeted. According to the pro forma, food expenses still continue to exceed budget year-to-date.

#### **Occupancy**

##### **June 2009**

	<b>Iowa Market</b>	<b>Regional Market</b>	<b>Honey Creek RSP</b>	<b>FY09 Pro Forma</b>
<b>Occupancy</b>	59.7%	54.6%	52.4%	80%
<b>Average Daily Rate</b>	\$71.64	\$139.74	\$115.71	\$117.80

Preliminary reports received from Central Group Companies, Inc. show occupancy for July in the lodge at 66 percent and cabin occupancy 85.7 percent with 72.2 percent and 89.9 percent respectively in the 2010 pro forma.

#### **Sales and Marketing**

The Department continues to work closely with Central Group Companies, Inc. through weekly meetings. We have also had in-depth meetings on the website and changes that would make the site easier to navigate. With RAGBRAI in July, many meetings were devoted to planning that event as well as planning for the Iowa State Fair display that will be in the IDNR building with the State Park Bureau display.

#### **The Preserve**

For June, golf is again under for the month on revenue, but has saved in expenses. The Rathbun Lake area has been impacted again this summer by rain events. This has hindered play on the course as well as other outdoor activities in the area.

## **Construction**

Rathbun Lake is expected to reach normal pool in the next two weeks as long as there are not additional significant rainfall events during this time. The levels have been dropping about 1.5 foot a week according to the U.S. Army Corps of Engineers. The lower lake levels will now allow contractors to finish elements of the project that have been unavailable to guests this summer.

WICKS Construction will be ready when the water levels reach normal pool to complete the boat ramp area. This will include pushing in the ramp and finishing the riprap along the shoreline.

The Hansen Company, WICKS Construction, and TSP are working the week of August 3<sup>rd</sup>, to disassemble and push the docks farther out into Ham Creek. With lower water levels, we are now able to place the docks in their permanent position and finish out the marina. It is critical to move the docks at this time to their permanent location as the now lower levels were putting stress on the gangway portion of the marina structure. The marina will be unavailable to guests Tuesday through Thursday of this week, but other accommodations have been made by Central Group and the boat vendor for guests to still utilize their rented boats during this time.

Trail work was moving fast in July once we had fewer rain events. The trail down from the patio to the marina was completed prior to July 4<sup>th</sup>, and the trail along the back side of the resort was completed by mid-July. The connector between the cabin loops and the lodge should be completed soon and then the final trail to the beach will be completed. After this trail work is completed the cement plant at the front of the property will be disassembled and moved. After the plant is removed the final trail loop at the resort entrance will be completed.

The playground equipment in the day-use area has been installed. The concrete pad has to cure around the equipment prior to the installation of the waste tire material. As soon as that material is placed, the playground will be open with final landscaping this fall.

Honey Creek Resort State Park  
Project Budget

Budget Category		Source of Funds				Total	Expended to Date	Balance Remaining	Total
		General Honey Creek	MFT	P & I					
Non-Construction Expenses									
Pre Bond Expenses from 2002/2003 appropriation		\$ 1,850,000.00				\$ 1,850,000.00	\$ 1,849,838.00	\$ 162.00	\$ 1,850,000.00
Staff, misc. expenses		\$ 1,050,000.00				\$ 1,050,000.00	\$ 1,080,750.86	\$ (30,750.86)	\$ 1,050,000.00
Architecture & Engineering		\$ 3,492,729.00				\$ 3,492,729.00	\$ 3,328,848.78	\$ 163,880.22	\$ 3,492,729.00
Art Project		\$ 225,000.00				\$ 225,000.00	\$ 191,565.00	\$ 33,435.00	\$ 225,000.00
Legal		\$ 150,000.00				\$ 150,000.00	\$ 185,742.63	\$ (35,742.63)	\$ 150,000.00
Preopening Compensation		\$ 958,936.00				\$ 958,936.00	\$ 993,366.94	\$ (34,430.94)	\$ 958,936.00
Construction Packages									
Golf Course & Grading		\$ 5,645,961.65	\$ 46,702.61	\$ 1,242,334.03		\$ 6,934,998.29	\$6,934,998.29	\$ -	\$ 6,934,998.29
Golf Buildings		\$ 799,587.00				\$ 799,587.00	\$773,145.80	\$ 26,441.20	\$ 799,587.00
Lodge Base Bid	\$ 19,340,000.00								
Approved Change Orders (Including Hardscape)	\$ 1,409,011.00								
Total Lodge Package		\$ 20,749,011.00				\$ 20,749,011.00	\$20,338,467.91	\$ 410,543.09	\$ 20,749,011.00
Sewer System and Lagoon		\$ 1,421,634.00	\$ 403,361.00			\$ 1,824,995.00	\$1,198,966.77	\$ 626,028.23	\$ 1,824,995.00
Docks		\$ -	\$ 435,300.00			\$ 435,300.00	\$327,203.00	\$ 108,097.00	\$ 435,300.00
Roads and Parking		\$ 1,212,104.10	\$ 757,677.92	\$ 4,614,384.98		\$ 6,584,167.00	\$6,659,317.56	\$ (75,150.56)	\$ 6,584,167.00
Landscaping and Signs		\$ 138,875.00				\$ 138,875.00	\$76,253.50	\$ 62,621.50	\$ 138,875.00
Cabins Base Bid	\$ 5,058,000.00							\$ -	\$ -
Alternate 1 - Geothermal	\$ 218,000.00								
Alternate 2 - Concrete pads	\$ 23,100.00								
Approved Change Orders	\$ 110,100.00								
Total Cabin Package		\$ 5,409,200.00				\$ 5,409,200.00	\$5,139,343.33	\$ 269,856.67	\$ 5,409,200.00
Activity Building		\$ 350,000.00				\$ 350,000.00		\$ 350,000.00	\$ 350,000.00
Playground		\$ 200,000.00				\$ 200,000.00	\$9,557.00	\$ 190,443.00	\$ 200,000.00
Beach		\$ 200,000.00				\$ 200,000.00		\$ 200,000.00	\$ 200,000.00
Equipment and Furnishings									
Golf Course Equipment		\$ 464,315.40 *				\$ 464,315.40	\$464,315.40	\$ -	\$ 464,315.40
Experience Plan - Interpretation		\$ 50,000.00				\$ 50,000.00	\$35,327.86	\$ 14,672.14	\$ 50,000.00
Lodge FFE		\$ 3,025,339.63 *				\$ 3,025,339.63	\$3,028,259.37	\$ (2,919.74)	\$ 3,025,339.63
Lodge FFE Design		\$ 268,258.34 *				\$ 268,258.34	\$268,258.34	\$ -	\$ 268,258.34
Cabin FFE		\$ 732,513.17				\$ 732,513.17	\$731,812.84	\$ 700.33	\$ 732,513.17
Contingency and Bond Requirements									
Change Orders & Contingency	\$ -								
Change Orders & Contingency - Cabins	\$ -								
Total Change Orders & Contingency		\$ -				\$ -		\$ -	\$ -
Operating Reserve Fund		\$ 500,000.00				\$ 500,000.00	\$211,538.28	\$ 288,461.72	\$ 500,000.00
Additional Operating Contingency (First Bond Payment due 6/1/09)		\$ 753,743.00				\$ 753,743.00	\$705,945.86	\$ 47,797.14	\$ 753,743.00
Total Expenditures		\$ 49,647,207.29	\$ 1,643,041.53	\$ 5,856,719.01		\$ 57,146,967.83	\$ 54,532,823.32	\$ 2,614,144.51	\$ 57,146,967.83
Source of Funds									
Appropriations (pre-FY09)		\$ 5,500,000.00				\$ 5,500,000.00			
Appropriations (FY09)		\$ 8,000,000.00				\$ 8,000,000.00			
Bond Proceeds		\$ 28,000,000.00				\$ 28,000,000.00			
Other (interest)		\$ 1,801,399.83				\$ 1,801,399.83			
Appanoose County		\$ 357,250.00				\$ 357,250.00			
Monroe County		\$ 357,250.00				\$ 357,250.00			
Rathbun Lake Resort, Inc. (RLR)		\$ 1,535,500.00				\$ 1,535,500.00			
SWAP/Waste Tire Funds		\$ 200,000.00				\$ 200,000.00			
EPA Funds for bioretention		\$ 100,000.00				\$ 100,000.00			
FY07 Grow Iowa Values Fund		\$ 1,000,000.00				\$ 1,000,000.00			
FY08 Grow Iowa Values Fund		\$ 1,000,000.00				\$ 1,000,000.00			
FY09 Grow Iowa Values Fund	**	\$ 811,000.00				\$ 811,000.00			
FY10 Grow Iowa Values Fund (Contingent)	**	\$ 900,000.00				\$ 900,000.00			
Marine Fuel Tax			\$ 1,643,041.53			\$ 1,643,041.53			
Parks & Institutional Roads				\$ 5,856,719.01		\$ 5,856,719.01			
Total Funding		\$ 49,562,399.83	\$ 1,643,041.53	\$ 5,856,719.01		\$ 57,062,160.37			
Variance		\$ (84,807.46)	\$ -	\$ -					

Source: Budget and Finance Bureau  
8/5/2009

Source: Budget and Finance Bureau  
8/5/2009

Honey Creek Resort State Park

Project Budget

In-Kind Matching

Rathbun Regional Water Association	\$928,000
Chariton Valley Electric Cooperative	\$877,170
Iowa Telecom	\$250,000
Total In-Kind Matching	\$2,055,170